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CENTRAL INTELLIGENCE AGENCY

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TOP SECRET

COUNTRY North Korea

REPORT

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SUBJECT Organization and Personnel of Yongsŏng
Machine Factory, Hŭngnam-si,
Hamgyŏng-namdo

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SOURCE EVALUATIONS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

Information on the organization and key personalities
of Yongsŏng Machine Factory, Hŭngnam-si, Hamgyŏng-namdo,
The report deals with contract negotiations and
production planning at the factory

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Factory Trade League Committee (Chairman & 8 Committee Members)

- Organization Department (1 Instructor)
- Production Department (1 Production Instructor)
- Cultural Department (1 Instructor, 1 Motion Picture Engineer,
1 Librarian, and 1 Announcer)
- Trade League Junior Committee of Each Plant

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Comment: All employees of the factory were members of the factory's trade league. The factory trade league committee received orders from league headquarters in P'yongyang.)

Factory Democratic Youth League Committee (Chairman and 8 Committee Members)

- Organization Department (1 Instructor)
- Indoctrination Department (1 Instructor)
- Democratic Youth League Junior Group of Each Plant (Chairman & 6 Committee Members)

Functions of Administrative Posts:

5. Manager: The nomination of the manager of this factory is recommended by the Ministry of Machine Industry (MMI) to and approved by the Standing Committee, Korean Labor Party. Not formal schooling but his competency and general qualifications are considered in appointing a person to the manager's position of the factory. In accomplishing his duties, the manager receives orders from the Minister of the Machine Industry and the Chief of the General Machinery & Farm Machinery Management Bureau of the same ministry, and also directives from the Machine Industry Department of the Central Party Headquarters. The manager is responsible 1) for accomplishing the national production tasks assigned to the factory, 2) for the proper management of the property and personnel assigned to the factory by the nation, 3) for coordinating with other enterprises in accomplishing the assigned national tasks, and 4) for supplying labor protection materials to laborers. Specifically, the manager is required to submit to the General Machinery & Farm Machinery Management Bureau of the MMI quarterly production plans one month prior to the beginning of each quarter, and to submit to the same bureau not later than the third day of the following month the Production Achievement Report, the Cost Report, the Prime Power Report, of the each month. The manager directly commanded the seven departments, two officers, and ten production plants which were directly under his jurisdiction; and, through the business manager, the supply manager, the construction manager, the chief engineer, and the deputy chief engineer, indirectly took charge of the other 12 departments and one laboratory of the factory. The manager has the authority to hire all the employees of the factory except department chiefs, plant chiefs, and higher staff members. He also had the authority

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to give reward to those workers who exceeded their production tasks.

6. Planning Department: The personnel of this department consisted of the department chief, one organization engineer, three planners, three cost accountants, and two statisticians. Comment: According to the table of organization, this department was to have three statisticians.)

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Production Plans: In principle six months, but in practice three months, prior to the following year, this department would receive from the Ministry of Machine Industry a tentative annual production plan of the (following) year drawn up by the National Planning Committee. After having the Staff Members' Meeting of the factory discuss the tentative annual production plan thus received, this department then would draw up annual production plans and quarterly production plans of various production plants of the factory and send them to the pertinent plants for examination. The department then would collect all the production plans with comments made and revisions suggested by the various plants, and on the basis of these commented plans would draw up a revised annual production plan of the factory and have it taken to the Ministry of Machine Industry either by the manager, the planning department chief, or the organization engineer. The revised or commented annual production plan would then be sent to the National Planning Committee for final decision. An annual production plan thus made then would be delivered to this Planning Department of the factory in December of the previous year first through the Cabinet Secretariat and then the Ministry of Machine Industry. The Planning Department would then submit to the General Machinery & Farm Machinery Management Bureau of the MMI one month prior to the pertinent quarter the quarterly production plan of the factory compiled on the basis of the final annual production plan of the factory. The department would then send monthly production plans to pertinent production plants of the factory ten days before each month. In case there was some difference between the final annual production plan endorsed by the National Planning Committee and that submitted by the factory to the MMI, this Planning Department delivered revised annual and quarterly production plans to each production plant of the factory. One copy of each annual, quarterly, or monthly production plan was distributed respectively to the Materials Department, the Production Plant, and the Technical Department.

Production Achievement Reports: A monthly production achievement report of the factory had to be taken to the General Machinery & Farm Machinery Management Bureau of the MMI personally by a statistician of the Planning Department not later than the third day of the following month. Likewise, a quarterly production achievement report of the factory had to be delivered to the same management bureau not later than the 15th day of the following quarter. Though a detailed production achievement report of the factory had to be delivered to the same management bureau within the first month of the following year, rough production achievement figures were reported to the bureau sometime around 30 December of each year.

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Organization Engineer: In establishing the factory's annual production plan, which was his main duty, this man actually went to P'yongyang around the beginning of October and assisted the workers of the General Machinery & Farm Machinery Management Bureau, Ministry of Machine Industry in drawing up a tentative annual production plan of the factory. He took this tentative annual production plan to his factory and, on the basis of the tentative plan and in consultation with the staff members of the factory, he drew up the factory's final version of annual production plan which would be submitted to the Ministry of Machine Industry to be processed through it to the National Planning Committee for final endorsement. This man was usually busy from July through December, and during the remaining period of each year he helped the other workers of the Planning Department.

Planners (3): One of the three planners handled production orders which came from various enterprises listed above under Item 3. The other two planners handled the basic products which were manufactured according to the annual national production plan.

1) **Planner in Charge of Order Goods:** [REDACTED]

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- A. **Production Contract with Various Enterprises:** Sometime in August of each year, the Ministry of Machine Industry would direct various enterprises to conclude contract individually with the Yongsong Machine Factory or other machine factories for machines or machine parts which they needed. The representative (usually an engineer) of each enterprise thus directed would come to the Yongsong Machine Factory and see the Order-Goods Planner [REDACTED]. The planner then would call a representative of the Technical Department, the Metallurgy Department, the Planning Department, and the Sales & Transport Department of the factory to a round table conference in his office. [REDACTED] Comment: This system of round table conference was initiated [REDACTED]. Before that, the representative of each enterprise coming to the factory had had to go round various departments of the factory.) At the conference, a) the representative of the Technical Department would correct the technical mistakes, if any, found in the manufacturing processes specified in the plan brought by the representative of the orderer-enterprise. b) The representative of the Metallurgy Department would discuss about what kinds of iron or steel should be used in manufacturing the required goods and make a decision on whether or not the requested goods could be manufactured at the factory. c) The representative of the Planning Department would correct mistakes, if any, found in the design brought by the representative of the enterprise. d) After all these correcting and decision-makings, the planner [REDACTED] would then carefully consider the production

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capacity and production schedule of the factory and decide on the date by which the ordered goods in question would be delivered. Next he would make two copies of contract cards and indicate on them the matters which had been revised. The recording on the cards for each revised matter was accompanied with an affixed chop-mark of each responsible person present at the conference. One of the cards was given to the orderer-enterprise, and the other card and the blueprint (design) were kept at the Planning Department. e) After all these processes, the representatives of the Sales & Transport Department would formally conclude a contract on the date of the delivery with the representative of the pertinent enterprise.

B. [] other basic production planners include such order-goods plans in the monthly production plans to be sent to various production plants of the factory.

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C. [] the designers (10 persons) of the Designing Department in charge of order-goods designing make three copies of the design of a particular machine or machine part one month (three months in principle) prior to the scheduled production month, and send one of the design copies to the Wooden Mold Plant, the other to the Cast Goods Plant, and the third to the Machine Plant.

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D. [] the wooden mold of the item in question should be completed 15 days prior to the scheduled month of production.

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E. []

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F. []

G. The work card was processed through various plants first with the Wooden Mold Plant and was finally delivered to the Sales & Transport Department together with the finished goods.

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- 2) Basic Production Planners (2): These planners had to draw up five copies of monthly production plans of the entire factory and send one of the copies to the General Machinery & Farm Machinery Management Bureau of the MMI ten days prior to the pertinent month, and send one copy respectively to the Technical Department, the Production Department, and the Materials Department of the factory, and kept the remaining one copy at the planning Department. The planners also had to give a specific

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monthly production plan to each production plant. The wooden molds and aluminium molds of the fixed products handled by these two planners were always on hand at the factory, but they were busy all the year round because they had to constantly plan on the stock of parts for the large number of basic products.

Cost Accountants (3): Two of the three cost accountants exclusively computed production costs, while the remaining one calculated the coefficient of utilization of the facilities of the factory.

Statisticians (2): These two men recorded the daily production results of the factory; reported by telephone to the General Machinery & Farm Machinery Management Bureau the production percentage of the factory once every five days; and submitted to the same bureau a monthly production achievement report within the first three days of the following month.

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7. Production Department: This department consisted of eight (8) persons including the department chief, who was a PANG (2455) [redacted]

[redacted] The work assignment was one member for the steel casting, one member for cast goods production, two members for machine manufacturing, one member for pipe manufacturing and forging, one member for small cast goods and small machines, and one member for statistics. This department made up daily production schedules based on the monthly production plan for each production plant compiled by the Planning Department, and, after receiving the manager's approval, directed the production plants to perform their production activities according to the schedules. By maintaining close coordination with the Materials Department, the Technical Department, the Designing Department, and the Metallurgy Department, this department assisted the production plants in performing their production tasks.

8. Wages Department: This department consisted of eight persons. The chief of the department was SIN Kye-chun (NTA [redacted])

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[redacted] Out of the seven members, three worked on establishing work norms, two on the accounting of wages to be given to workers, and two on social insurance and labor notebooks.

9. Staff Department: This department consisted of four persons including the department chief [redacted]

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[redacted] One of the three members conducted clerical work on the personal histories and autobiographies of those high-ranking staff members (department chiefs, production plant chiefs and deputy chiefs, and engineers) whose appointment was approved by the General Machinery & Farm Machinery Management Bureau and of those staff members whose appointment was decided by the manager of the factory. The other two were in charge of works concerning the labor supply of the factory.

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10. Bookkeeping Office: This department consisted of 18 persons including the chief of the office [redacted]

[redacted] Six of the members were females. This office was divided into the following two fields of work:

General Disbursement & Accounting: One chief, five members for wages, one member for advancement & day nursery, two members for supply, and one cashier.

Cost Accounting & Independent Accounting of Each Plant: One chief, one member for the Steel Casting Plant, one member for the Cast Goods Plant, two members for the Machine Plant, one member for the Pipe Manufacturing Plant and the Forging Plant, one member for the Small Cast Goods Plant and the Small Machine Plant, and one member for the Construction Department.

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[redacted] 2) conducted payment accounting with various enterprises for the goods which the factory supplied to them, 3) computed and paid wages for workers every month, 4) computed production costs of the goods produced by this factory, and 5) supervised the independent accounting system of each production plant of the factory. The department submitted to the General Machinery & Farm Machinery Management Bureau within the first three days of the following month 1) the production cost report of each month, 2) the wage disbursement report, and 3) the independent accounting system report.

11. Confidential Documents Office: This office, consisting of three males and one female, handled all the documents which were sent by the factory and kept all the documents (plans included) received by higher echelon organizations. 1) One man kept the manager informed of the production achievements and the operational efficiency of the production facilities and of the difficulty or complimentary matters which came up occasionally. 2) One man handled the manager's directives, decisions adopted by various meetings, and the execution of such directives and decisions, and the solution of appeals made by workers. 3) One man handled incoming and outgoing documents. 4) One female worker waited on visitors to the manager and handled documents which were brought for endorsement by the manager.
12. 2nd Department: This department, which definitely had to do something with the military, was established at the factory following the establishment of one 2nd Department at the Ministry of Machine Industry in early 1958. Two lieutenant colonels and two majors of the NKPA came to the factory to give supervision at the time the department was established at the factory. The department consisted of four persons including the physically weak chief of the department who was an ex-captain of the NKPA. Two of the members selected from among the workers of the factory were also physically weak. No outsider was admitted to the department, the windows of which were grilled with two-centimeter iron bars. The functions of this department were unknown, and it was merely said that production plans for this department would be delivered to the factory supplementarily in 1958.

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13. Inspection Department: The personnel of this department consisted of 20 persons including the department chief [redacted]

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[redacted] This department was nominally under the supervision of the manager of the factory but it really belonged to the National Inspection Committee from which it received orders. This department inspected all the goods manufactured at this factory and was held accountable for the grade of the products. The numbers of the persons of this department assigned to the various production plants of the factory were as follows: Two men for the Steel Casting Plant, two men for the Cast Goods Plant, five men for the Machine Plant, two men for the Forging Plant, two men for the Pipe Manufacturing Plant, one man for the Wooden Mold Plant, one man for the Engineering Plant, and one man for the Small Machine Plant.

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14. Administrative Accounting Department: This department had eight members including the department chief [redacted]

[redacted] This department 1) handled all the printed documents of the factory; 2) managed the two single persons' billets, dependent houses, and the telephone exchange room of the factory, 3) did all the preparing and arrangements for various meetings of the factory, 4) and took care of field trip allowances for the officials of the factory who went on field trips. The personnel assignments were as follows: two men for dependent houses, two men for printed materials, one man for field trip allowances, and two men for the management of two billets.

15. Business Manager: This man controlled the Materials Department and the Sales & Transport Department and supplied the materials and machinery needed by the various plants of the factory and rendered direction to the plants so that they might exceed their production plans. Specifically, he 1) made contracts with various enterprises which produced materials needed by the factory; 2) concluded contracts with the Ministry of Transportation each month for assignment of box cars required for the shipping of materials and products; 3) managed the warehouses of the factory which stored supplies; and 4) submitted a monthly materials consumption report to the General Machinery & Machinery Management Bureau of the Ministry of Machine Industry within the first three days of the following month.

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Comment: [redacted] the titles were the Business Manager, the Supply Manager, and the Construction Manager, not the Business Deputy Manager, the Supply Deputy Manager, or the Construction Deputy Manager, under an overall manager.)

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16. Supply Manager: By controlling the Labor Supply Department of the factory, this man supplied goods which were required for the daily living of the manual and clerical workers of the factory. Specifically, he supplied the employees of the factory with 1) fish caught by a 100-ton fishing boat (hot-bulb engine) owned by the factory, 2) vegetables obtained from various farm and agricultural cooperatives, coal obtained through the enlisted assistance of the business organ of the factory, and 3) labor protection materials.

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17. Construction Manager: Until the end of 1957, the organ under this man's control had been an independent construction trust under the jurisdiction of the Ministry of Construction, but it came under the jurisdiction of the manager of the factory in 1958. This man was responsible for the construction of houses and plants of the factory in accordance with quarterly and monthly construction plans which he made on the basis of the annual plan of the factory. He submitted a monthly activity report to the General Machinery & Farm Machinery Management Bureau of the Ministry of Machine Industry within the first three days of the following month.

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18. Chief Engineer: This man was the highest-ranking technical worker of the factory. By controlling the posts under his supervision, this man assumed the overall responsibility for the production tasks of the factory. [redacted]

Comment: In case the factory could not accomplish its production goals for three months consecutively, the chief engineer was ousted from his position. [redacted] the then chief engineer of the factory was dismissed from his position because of such reason.)

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19. Deputy Chief Engineer: Through the Power Department, the Prime Mover Department, and the Maintenance Department of the factory under his control, this man maintained the machines of the factory and, by conducting strict inspection of machines, prevented the occurring of any accidents. He submitted a monthly power consumption report to the General Machinery & Farm Machinery Management Bureau of the MMI within the first three days of the following month.

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1) a. Name & Telecodes: KIM Pyong-han (6855/3521/3352)

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e. Present Position: Manager, Yongsong Machine Factory

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2) a. KIM Yong-sik (6855/3057/2784)

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e. Chief, Planning Department, Yongsong Machine Factory

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3) a. KYE Hy~~ŏ~~ng-sun (NTA)

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e. Chief Engineer, Yongs~~ŏ~~ng Machine Factory

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4) a. PANG Tae-py~~ŏ~~ng (NTA)

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e. Chief, Production Department, Yongs~~ŏ~~ng Machine Factory

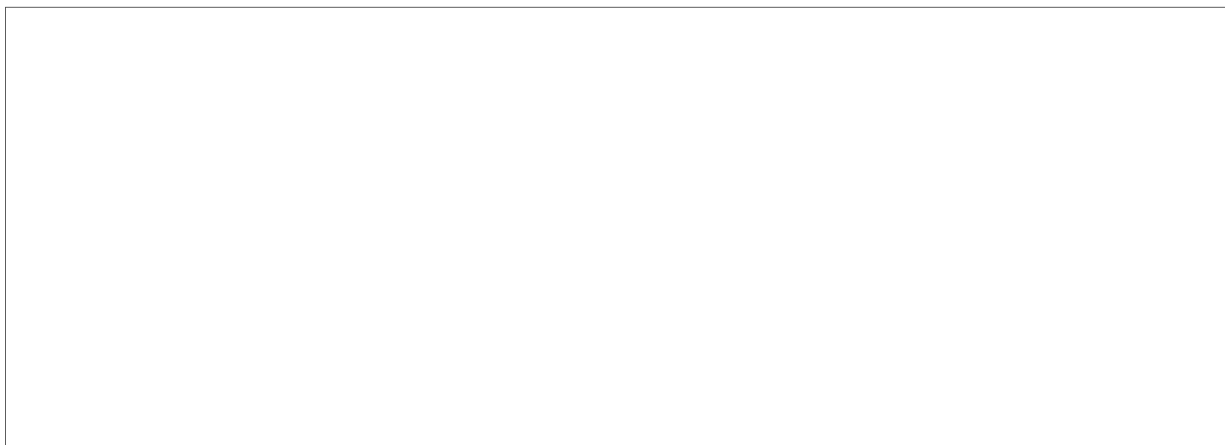
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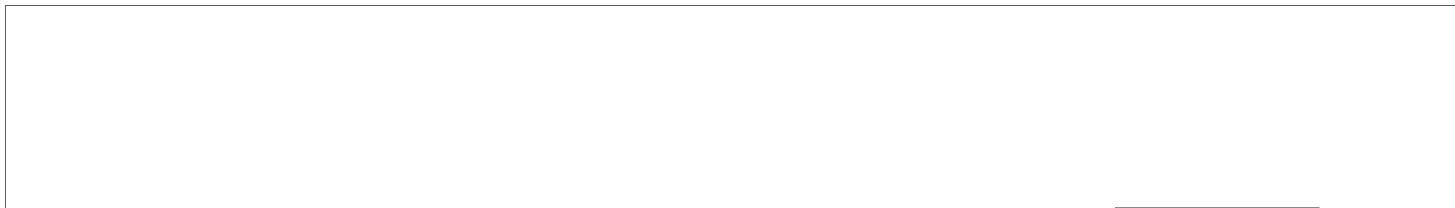
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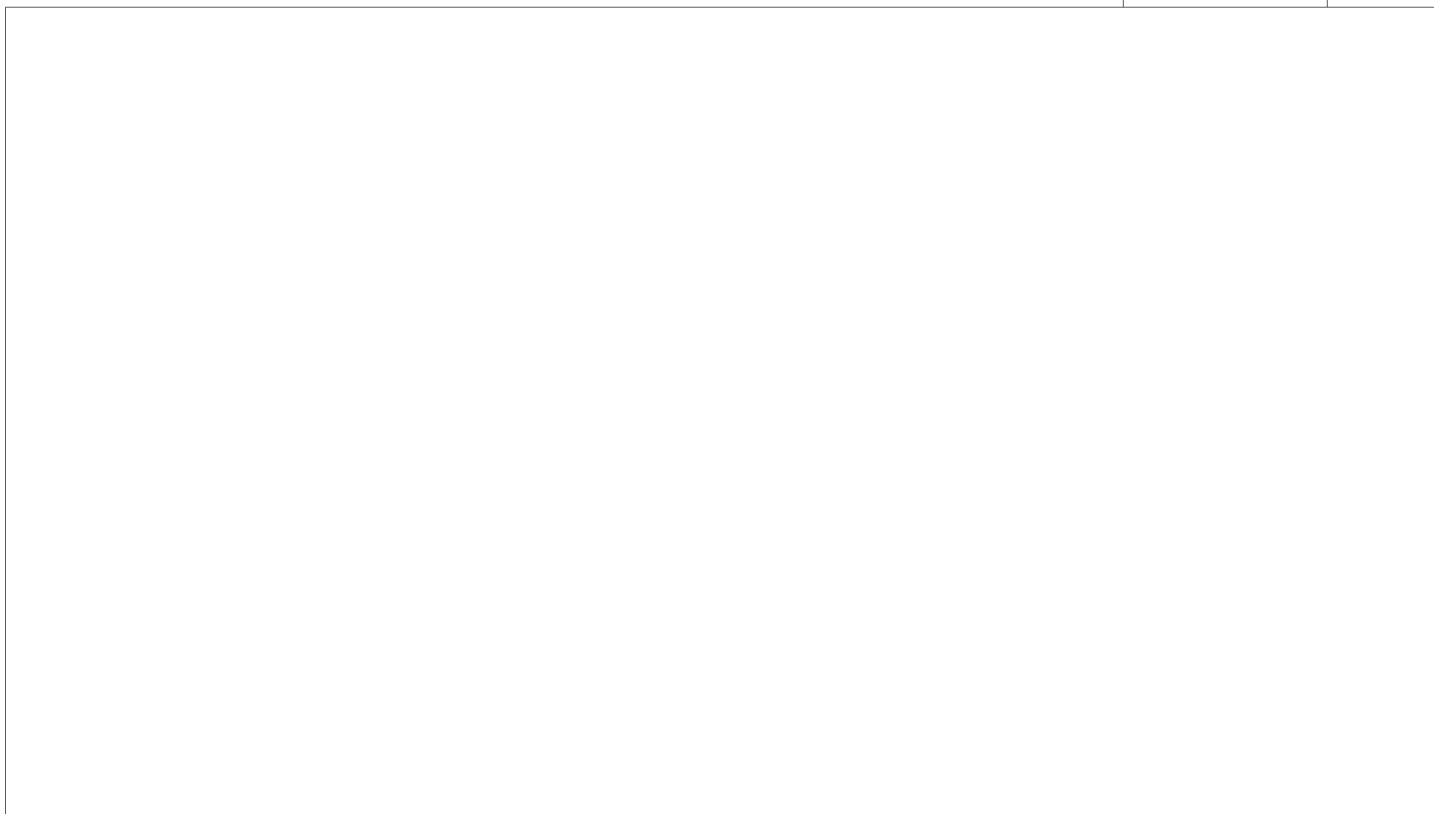


5) a. SIN Kye-chu (NTA)

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e. Chief, Wages Department , Yongsoŋ Machine Factory



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